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VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2009
WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/9/09

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2009
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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INDEPENDENT AUDITOR'S REPORT

The Honorable John S. Craft
Vernon Parish Sheriff
Leesville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Sheriff, as of and for the year ended June 30, 2009, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Vernon Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Sheriff, as of June 30, 2009, and the respective changes in its financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2009, on our consideration of the Vernon Parish Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information presented on pages 3 - 6 and 24 - 26, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vernon Parish Sheriff's basic financial statements. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Marcus, Robinson & Hassell

MARCUS, ROBINSON AND HASSELL

Monroe, Louisiana

November 10, 2009

REQUIRED SUPPLEMENTARY INFORMATION
PART I

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative discussion and analysis of the financial statements of the Vernon Parish Sheriff as of and for the fiscal year ending June 30, 2009 is submitted by the Chief Fiscal Officer of the Vernon Parish Sheriff's Department, and is intended to be used to enhance the readers understanding of the basic financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- Assets of the Sheriff's office exceeded its liabilities by \$1,195,268.
- Total expenditures exceeded total revenues by \$241,471.
- A 1/2% sales tax (perpetual in duration of tax) was passed by the voters of Vernon Parish in April 2004. Total sales tax revenue was \$2,649,030.
- Personnel and related benefit costs comprise 69% of total expenses.
- Cash and Cash Equivalents decreased \$32,616 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an overview of the Sheriff's basic financial statements. The Statement of Net Assets and the Statement of Activities (Governmental-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund tells how these services were financed in the short term as well as what remains for future spending. This report also contains other supplementary information in addition to the basic financial statements themselves.

In the Independent Auditor's Report, the auditor assures that the Basic Financial Statements are accurately and fairly stated. This Independent Auditor's Report should be used to judge the level of assurances provided for each portion in the Financial Section.

Government - Wide Financial Statements. These financial statements are used to present a general over all look at the finances of the Vernon Parish Sheriff's Department similar to a private sector business.

Statement of Net Assets. By determining the difference between the assets and liabilities of the Vernon Parish Sheriff, "Net Assets" is determined. By comparing Statements of Net Assets over a period of time, the overall financial trend of the sheriff can be monitored.

Statement of Activities. This statement shows changes in the sheriff's net assets during the course of the fiscal year and includes revenues and expenses for items such as earned and accumulated but unused leave, which is going to effect cash flows in future fiscal years. The Statement of Activities reports all changes to net assets as soon as the event affecting net assets occurs.

Fund Financial Statements - To comply with finance related legal requirements, the Vernon Parish Sheriff groups related accounts into funds. Fund accounting is used by state and local governments to manage revenues or resources designated for a specific purpose. These funds can be divided into two categories: governmental funds and agency or fiduciary funds.

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government Funds - information contained in these funds may be used to determine a government's immediate or near-term financing needs since the focus of governmental fund financial statements is on immediate or near term revenues and expenses and not only on balances available at the end of the fiscal year.

Governmental funds account for the same functions as governmental activities found in the government-wide statements but is presented with a more narrow focus. The reader may find it helpful to draw a comparison between the information presented in the governmental funds with information presented for governmental activities in the government-wide financial statements to better understand the long range impact of decisions made for near-term financing. One may choose to use the reconciliation provided for the governmental fund balance sheet and governmental fund statement of revenue, expenditures, and changes in fund balances to more clearly draw the comparison between these governmental funds and governmental activities.

A budgetary comparison statement is provided to demonstrate compliance with the sheriff's annual adopted appropriated budget.

Agency (Fiduciary) Funds - these funds are used to manage monies and resources held by the sheriff on behalf of others, such as inmate trust deposits, taxes, fines and bonds. Since these resources do not belong to the sheriff and are not available to support the operations of the sheriff, they are not reflected in the government-wide financial statements.

Notes to the Financial Statements - These notes provide additional information which is helpful in understanding the data presented in the government-wide and fund financial statements.

Other Information - this report provides certain required supplementary information above and beyond the basic financial statements and accompanying notes regarding the financial activities of the Vernon Parish Sheriff's Department.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff's net assets as of June 30, 2009 was \$1,195,268, a decrease of \$241,471 from the previous year.

	Net Assets	
	6/30/09	6/30/08
Assets		
Current & Other Assets	\$ 767,923	\$ 737,050
Capital Assets, Net	<u>1,962,224</u>	<u>2,214,151</u>
Total Assets	2,730,147	2,951,201
Liabilities		
Accounts Payable and Other Current Liabilities	229,505	118,559
Long-Term, Liabilities	<u>1,305,374</u>	<u>1,395,903</u>
Total Liabilities	<u>1,534,879</u>	<u>1,514,462</u>
Net Assets	<u>\$1,195,268</u>	<u>\$1,436,739</u>

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital assets represents 72% of total assets. Allowance has been taken for outstanding debt incurred for the purchase of fixed assets.

Summary of Changes in Net Assets

	<u>6/30/09</u>	<u>6/30/08</u>
Program Revenues		
Fees, Charges and Commission	\$3,930,313	\$3,748,730
Operating Grants and Contributions	<u>234,274</u>	<u>453,694</u>
Total Program Revenues	4,164,587	4,202,424
General Revenues		
Ad Valorem Taxes	2,170,237	1,865,797
Sales Taxes	2,649,030	2,379,557
Other General Revenues	<u>701,037</u>	<u>434,407</u>
Total General Revenues	<u>5,520,304</u>	<u>4,679,761</u>
Total Revenues	9,684,891	8,882,185
General Government Expenses	<u>9,926,362</u>	<u>9,189,017</u>
Change in net Assets	<u><u>\$ (241,471)</u></u>	<u><u>\$(306,832)</u></u>

FINANCIAL ANALYSIS OF SHERIFF FUND

Fund accounting is used by the Vernon Parish Sheriff to demonstrate its compliance with finance related legal requirements and to provide information used in determining the government's financing needs. Governmental funds are used to provide information on near-term inflows, outflows, and expendable resource balances. The unreserved fund balance may be used to gauge the government's end of year net resources that will be available for spending.

The Vernon Parish Sheriff's combined governmental fund balances as of June 30, 2009 is \$545,754. The June 30, 2008 combined governmental fund balances was \$625,617. This is a decrease of \$79,863. Of the June 30, 2009 balances, \$545,754 is unreserved and undesignated.

Budgetary Highlights

Revenues and expenditures in the final amended budget exceeded projections in the original budget. The largest revenue increase was an increase in budgeted taxes of \$212,600. The largest expenditure increase was personal services and related benefits of \$679,500.

Capital Asset and Debt Administration

Capital Assets: The Vernon Parish Sheriff investment in capital assets for its governmental activities as of June 30, 2009 amounts to \$1,962,224 (net of accumulated depreciation). Fixed assets increased by \$29,840 for the year. This increase is the result of vehicle purchases.

VERNON PARISH SHERIFF
LEESVILLE, LA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following summarizes capital assets:	<u>6/30/09</u>	<u>6/30/08</u>
Capital Assets:		
Vehicles	\$ 770,918	\$ 766,178
Furniture and Equipment	576,872	576,872
Buildings	2,263,227	2,280,163
Land	<u>129,390</u>	<u>129,390</u>
	3,740,407	3,752,603
Accumulated Depreciation	<u>1,778,183</u>	<u>1,538,452</u>
Capital Assets, net	<u>\$1,962,224</u>	<u>\$2,214,151</u>

Long-term Debt: Total outstanding long-term debt for the Vernon Parish Sheriff as of June 30, 2009 is \$1,305,374. Of this amount, \$1,019,304 will be paid in full during fiscal year 2010. Outstanding debt was decreased by \$90,529 during fiscal year 2009.

The following summarizes long-term obligations:

	<u>6/30/09</u>	<u>6/30/08</u>
Tax Anticipation Loans	\$900,000	\$900,000
Capital Lease Payable	138,497	186,570
Vehicle Installment Loans	161,203	218,549
Deferred Comp. Payable	<u>105,674</u>	<u>90,784</u>
	<u>\$1,305,374</u>	<u>\$1,395,903</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

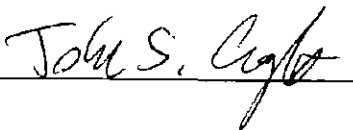
The Vernon Parish Sheriff's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental Revenues
- 3) Fees, Charges, and Commissions for Services

The Vernon Parish Sheriff does not expect any significant changes in next year's results as compared to the current year.

Request for Information

This report may be used by all persons with an interest in the financial status of the Vernon Parish Sheriff. It is designed to help the reader gain a general over-all view of the sheriff's finances. Any question or request for additional information should be addressed to the Vernon Parish Sheriff, P.O. Box 649, Leesville, La 71496-0649.



BASIC FINANCIAL STATEMENTS

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Statement B

Functions/Programs:	Expenses	Program Revenues		Net (Expense)
		Operating Grants	Capital Grants	Revenue and Changes in Net Assets
<u>Judicial</u>				
Personal Services	\$6,854,824	\$127,705	\$ 0	\$(6,727,119)
Operating Services	1,533,140	0	0	(1,533,140)
Materials and Supplies	936,919	104,079	0	(832,840)
Travel and Other Charges	258,198	2,490	0	(255,708)
Debt Service-Interest	79,062	0	0	(79,062)
Depreciation	264,219	0	0	(264,219)
<u>TOTAL PROGRAM EXPENSES</u>	<u>\$9,926,362</u>	<u>\$234,274</u>	<u>\$ 0</u>	<u>\$(9,692,088)</u>
<u>Program Revenues</u>				
Commission on License				39,368
Fines & Costs				352,465
Civil & Criminal Fees				266,438
Housing Prisoners				2,811,733
Other				460,309
<u>TOTAL PROGRAM REVENUES</u>				<u>3,930,313</u>
<u>NET PROGRAM EXPENSES</u>				<u>(5,761,775)</u>
<u>General Revenues</u>				
Taxes - Ad Valorem				2,170,237
Taxes - Sales Tax				2,649,030
Grants & contributions not restricted to specific programs				
State revenue sharing				239,333
Other				470,032
Book Value of Disposed Vehicles				(17,549)
Interest Earned				9,221
<u>TOTAL GENERAL REVENUES</u>				<u>5,520,304</u>
<u>Change in Net Assets</u>				<u>(241,471)</u>
<u>Net Assets at Beginning of Year</u>				<u>1,436,739</u>
<u>Net Assets at End of Year</u>				<u>\$ 1,195,268</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2009

Statement A

ASSETS

Cash and Cash Equivalents	\$ 160,510
Receivables	607,413
Capital Assets (net of accumulated depreciation)	<u>1,962,224</u>
<u>TOTAL ASSETS</u>	2,730,147

LIABILITIES

Accounts Payable	222,169
Accrued Interest Payable	7,336
Long-Term Liabilities	
Due Within One Year	1,019,304
Due in More Than One Year	<u>286,070</u>
<u>TOTAL LIABILITIES</u>	<u>1,534,879</u>

NET ASSETS

Invested in Capital Assets, net of related debt	1,662,524
Unrestricted	<u>(467,256)</u>
<u>TOTAL NET ASSETS</u>	<u>\$1,195,268</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2009

Statement C

	General Fund	Non-Major Inmate Commissary Fund	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 108,500	\$52,010	\$160,510
Receivables	<u>607,413</u>	<u>0</u>	<u>607,413</u>
<u>TOTAL ASSETS</u>	<u>\$ 715,913</u>	<u>\$52,010</u>	<u>\$767,923</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts Payable	\$ 222,169	\$ 0	\$222,169
<u>TOTAL LIABILITIES</u>	222,169	0	222,169
Fund Equity:			
Unreserved - Undesignated	<u>493,744</u>	<u>52,010</u>	<u>545,754</u>
<u>TOTAL FUND EQUITY</u>	<u>493,744</u>	<u>52,010</u>	<u>545,754</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 715,913</u>	<u>\$52,010</u>	<u>\$767,923</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

Statement D

Total Fund Balances - Governmental Funds (Statement C) **\$ 545,754**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in Governmental Funds.

Cost of Capital Assets	3,740,407	
Less: Accumulated Depreciation	<u>1,778,183</u>	1,962,224

Long-term liabilities are not due and payable in the current period. Accordingly, they are not reported as liabilities in the Governmental Funds. All liabilities are reported in the Statement of Net Assets.

Installment Loans	161,203	
Tax Anticipation Loans	900,000	
Capital Lease Payable	138,497	
Deferred Comp. Payable	<u>105,674</u>	(1,305,374)

Interest on long-term debt is accrued in the Statement of Net Assets, but not in the Governmental Funds.

Accrued Interest Payable	(7,336)
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Net Assets (Statement A) **\$1,195,268**

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2009

Statement E

	General Fund	Non-Major Inmate Commissary Funds	Total
<u>REVENUES</u>			
Ad Valorem Taxes	\$2,170,237	\$ 0	\$2,170,237
Sales Taxes	2,649,030	0	2,649,030
Intergovernmental Revenues:			
Federal Grants	33,436	0	33,436
Local Grants	29,960	0	29,960
State Grants	640,910	0	640,910
State Revenue Sharing	239,333	0	239,333
Fees, Charges & Services:			
Licenses	39,368	0	39,368
Fines & Cost	352,465	0	352,465
Civil	266,438	0	266,438
Housing Prisoners	2,811,733	0	2,811,733
Use of Money - Interest Earnings	9,221	0	9,221
Other	<u>240,437</u>	<u>219,872</u>	<u>460,309</u>
<u>TOTAL REVENUES</u>	<u>9,482,568</u>	<u>219,872</u>	<u>9,702,440</u>
<u>EXPENDITURES</u>			
Public Safety:			
Personal Services and Related Benefits	6,839,934	0	6,839,934
Operating Services	1,533,140	0	1,533,140
Materials and Supplies	936,919	0	936,919
Travel and Other Charges	71,430	186,768	258,198
Debt Service:			
Principal	1,505,420	0	1,505,420
Interest and Bank Charges	78,852	0	78,852
Capital Outlay	<u>29,840</u>	<u>0</u>	<u>29,840</u>
<u>TOTAL EXPENDITURES</u>	<u>10,995,535</u>	<u>186,768</u>	<u>11,182,303</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>	<u>(1,512,967)</u>	<u>33,104</u>	<u>(1,479,863)</u>
<u>OTHER FINANCING SOURCES</u>			
Capital Lease & Installment Loans	0	0	0
Proceeds from Bank Loan	<u>1,400,000</u>	<u>0</u>	<u>1,400,000</u>
<u>TOTAL OTHER FINANCING SOURCES</u>	<u>1,400,000</u>	<u>0</u>	<u>(1,400,000)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER</u> <u>SOURCES OVER EXPENDITURES</u>	<u>(112,967)</u>	<u>33,104</u>	<u>(79,863)</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>606,711</u>	<u>18,906</u>	<u>625,617</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 493,744</u>	<u>\$52,010</u>	<u>\$ 545,754</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Statement F

Total Net Change in Fund Balances (Statement E) \$ (79,863)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in government funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay for the periods.

Capital Outlays reported in the Funds	29,840	
Less: Depreciation reported in Statement of Activities	<u>(264,219)</u>	(234,379)

Disposition of capital assets is not recognized in governmental funds. However, in the statement of activities, the book value of disposed assets is recorded as an expense. (17,549)

Interest on long-term debt in Statement A differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Beginning Accrued Interest	7,126	
Ending Accrued Interest	<u>7,336</u>	(210)

Additional loan proceeds is another financing source in the governmental funds, but the loans increase long-term liabilities in the Statement of Net Assets. (1,400,000)

Repayment of loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,505,420

In the Statement of Activities, certain operating expenses - Comp Time - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid). (14,890)

Change in Net Assets of Governmental Activities (Statement B) \$ (241,471)

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
 Statement G
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - FIDUCIARY FUNDS
JUNE 30, 2009

	<u>Sheriff's Fund</u>	<u>Inmate Trust Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	<u>\$517,491</u>	<u>\$81,819</u>	<u>\$660,151</u>	<u>\$1,259,461</u>
<u>LIABILITIES</u>				
Due to Taxing Bodies and Others	<u>\$517,491</u>	<u>\$81,819</u>	<u>\$660,151</u>	<u>\$1,259,461</u>

See Notes to Financial Statements

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through establishment of neighborhood watch programs, anti-drug abuse programs, etc. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within Vernon and surrounding parishes.

As the ex-officio tax collector of the parish, the sheriff is responsible for collecting and distributing ad valorem property taxes, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Vernon Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Vernon Parish Sheriff is considered a primary government, since it is a special purpose government that has a separately elected official, is legally separate, and is fiscally independent of other state or local governments. As described in GASB Statement No. 14, fiscally independent means that the Sheriff may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Sheriff also has no component units, as other legally separate organizations for which the Sheriff is financially accountable. There are no other primary governments with which the Sheriff has a significant relationship.

For financial reporting purposes, in conformance with GASB Codification Section 2100, the sheriff includes all funds, account groups, and activities that are controlled by the sheriff as an independently elected official. As such, the sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. This report only includes all funds which are controlled by or dependent upon the Vernon Parish Sheriff.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIC FINANCIAL STATEMENTS - GOVERNMENT - WIDE STATEMENTS

The Government-Wide Financial Statements include the Statement of Net Assets and the Statement of Activities. These statements report financial information for the Sheriff as a whole.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary of Assets and Liabilities - Fiduciary Funds at the fund financial statement level.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets.

D. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into two categories; governmental and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

Government Fund Types

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Fund - The Inmate Commissary Fund is used to account for the proceeds of specific revenue sources such as sales to inmates. Those revenues are restricted to expenditures for specified purposes.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

E. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance sheet (Statement C). The Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E) reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Vernon Parish Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Those revenues susceptible to accrual include ad valorem taxes, state revenue sharing, interest revenue, commissions, and charges for services. Federal, state and local aid and grants are recorded when the Sheriff is entitled to the funds.

Other intergovernmental revenues are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. All miscellaneous revenues other than interest revenue are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

F. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control. The Vernon Parish Sheriff prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The budget is legally adopted and amended, as necessary, by the Sheriff.

All Budget appropriations lapse at year end.

Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments.

G. SALES TAX

The voters of Vernon Parish approved a one-half percent (½%) sales tax effective April 1, 2004, dedicated for the purpose of providing additional funding for the law enforcement district. The tax is perpetual. The Vernon Parish Sales Tax Department collects the tax and remits to the Sheriff. For this service the Sheriff pays a pro-rate share of administrative expense of the tax collection.

H. ENCUMBRANCES

Encumbrance accounting is not used in the sheriff's operations.

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Under state law, the sheriff must deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Tax collections must be deposited in a bank domiciled in the parish where the funds are collected.

J. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Depreciation</u>	<u>Estimated Lives</u>
Vehicles	5 Years
Furniture & Fixtures	10-20 Years
Buildings	40 Years

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

K. RISK MANAGEMENT

The sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisiana law provides that the sheriff may join with other sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Vernon Parish Sheriff has joined together with other sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana sheriffs. The sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

The agreement for formation of the Louisiana Sheriff's Risk Management Program, administered by the Louisiana Sheriff's Association, provides for the pool to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$3,000,000 for each insured event. The sheriff estimates the range of contingent losses, if any, to be borne by the government will not exceed the available insurance coverage.

The Louisiana Sheriff's Risk Management Program has published its own financial report which can be obtained from the Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, La 70804.

In addition to the above, the sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

L. COMPENSATED ABSENCES

Full-time deputies of the sheriff's office, depending on length of service, earn from 5 to 20 days of vacation and sick leave each year. Vacation leave must be taken in the year earned. Accumulated sick leave is not paid upon termination of employment. At June 30, 2009, there are no accumulated and vested benefits relating to vacation and sick leave that require disclosure or accrual to conform with generally accepted accounting principles.

Comp. time is earned for overtime hours worked. The comp time is calculated based on 1 ½ time of hourly rate (including supplemental pay). Comp time is taken by time off, however, comp time earned and accrued is paid upon termination of the employee. Comp time earned in excess of 480 hours must be paid to the employee.

The comp time is measured by any amounts actually paid in the government funds.

The comp time is measured when actually earned in the government-wide statements and comp time earned and not paid is recorded as a liability.

Comp time earned and accrued at June 30, 2009 totaled \$105,674.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

M. BAD DEBTS

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles. Management feels all receivables at year end are collectable and no allowance for bad debts is necessary.

N. ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - LEVIED TAXES

Act 689 of the regular session of the Louisiana Legislature of 1976 provided initial financing authorization for the levy of an ad valorem tax millage for the law enforcement district. Voters of the district subsequently approved an increase in the ad valorem tax beyond initial authorization. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized</u> <u>Expiration</u>	<u>Levied</u> <u>Millage</u>	<u>Millage</u>
Law Enforcement District	Indefinite	11.35	11.35
Law Enforcement District	2010	7.26	7.26

NOTE 3 - CASH AND CASH EQUIVALENTS

For the purpose of these financial statements, the sheriff considers cash and cash equivalents to be amounts held in demand deposits, interest bearing demand deposits, and time deposits.

At June 30, 2009 the sheriff has cash and cash equivalents (book balances) totaling \$1,419,971 as follows:

	<u>Statement of</u> <u>Net Assets</u>	<u>Statement of</u> <u>Fiduciary Net Assets</u>	<u>Total</u>
Petty Cash	\$ 2,400	\$ 0	\$ 2,400
Demand Deposits	<u>158,110</u>	<u>1,259,461</u>	<u>1,417,571</u>
<u>TOTAL</u>	<u>\$160,510</u>	<u>\$1,259,461</u>	<u>\$1,419,971</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 - CASH AND CASH EQUIVALENTS- CONTINUED

At June 30, 2009, the sheriff has \$2,644,391 in deposits (collected bank balances). These deposits are secured from risk by \$2,396,202 of federal deposit insurance and \$248,189 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

The receivables at June 30, 2009, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Sales Tax	\$307,473	\$0	\$307,473
License	4,472	0	4,472
Fees, Charges, and Commissions for Services	30,871	0	30,871
Grants	39,286	0	39,286
Feeding and Keeping of Prisoners	184,396	0	184,396
Other	40,915	0	40,915
<u>TOTAL</u>	<u>\$607,413</u>	<u>\$0</u>	<u>\$607,413</u>

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2009 follows:

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
<u>Capital Assets</u>				
Vehicles	\$ 766,178	\$29,840	\$25,100	\$ 770,918
Furniture & Equipment	576,872	0	0	576,872
Buildings	2,280,163	0	16,936	2,263,227
Land	129,390	0	0	129,390
	<u>\$3,752,603</u>	<u>\$29,840</u>	<u>\$42,036</u>	<u>\$3,740,407</u>
<u>Accumulated Depreciation</u>				
Vehicles	\$ 350,698	\$152,204	\$ 7,550	\$ 495,352
Furniture & Equipment	278,874	57,164	0	336,038
Buildings	908,880	54,851	16,938	946,793
	<u>1,538,452</u>	<u>264,219</u>	<u>24,488</u>	<u>1,778,183</u>
<u>Net Capital Assets</u>	<u>\$2,214,151</u>	<u>\$234,379</u>	<u>\$17,548</u>	<u>\$1,962,224</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 6 - PENSION PLAN

Substantially all employees of the Vernon Parish Sheriff's office are members of the Louisiana Sheriffs Pension and Relief Fund (the System), a multiple-employer (cost sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. All sheriffs and deputies who are found to be physically fit, earn at least 400 per month, and who were at least 18 years of age at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to percentage of their final-average salary for each year of credited service. Final - average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 6554 Florida Boulevard, Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

Plan members are required by state statute to contribute 10 percent of their annual covered salary and the Vernon Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 10.75 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Vernon Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Vernon Parish Sheriff's contributions to the System for the years ended June 30, 2007, 2008, and 2009 were \$518,636, \$480,708, and \$444,589, respectively, equal to the required contributions for each year.

NOTE 7 - POSTEMPLOYMENT BENEFITS

As required by Louisiana Revised Statutes, the Sheriff provides certain continuing health care and life insurance benefits for certain retired employees through the Sheriff's group insurance plan. Retired employees are eligible for these benefits if they reach required years of service and age 55. The Sheriff recognizes the cost of providing these benefits (the Sheriff's portion of premiums) as expenditures when the monthly premiums are due. The cost of retiree benefits totaled \$126,682 for the year ended June 30, 2009.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 8 - CHANGES IN AGENCY FUNDS

A summary of changes in agency fund balances due to taxing bodies and others follows:

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Agency Funds:				
Sheriff's	\$ 637,665	\$ 2,007,809	\$ 2,127,983	\$ 517,491
Tax Collector	588,892	12,852,319	12,781,060	660,151
Inmate Trust	141,745	780,064	839,990	81,819
<u>TOTAL</u>	<u>\$1,368,302</u>	<u>\$15,640,192</u>	<u>\$15,749,033</u>	<u>\$1,259,461</u>

NOTE 9 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term debt for the year ended June 30, 2009:

	Balance June 30, 2008	Additional	Reductions	Balance June 30, 2009	Amounts Due Within One Year
Capital Lease Payable	\$186,570	\$ 0	\$ 48,073	\$ 138,497	\$52,871
Installment Loans	218,549	0	57,346	161,203	66,433
Tax Anticipation Loan	900,000	1,400,000	1,400,000	900,000	900,000
Deferred Comp. Payable	90,784	58,502	43,612	105,674	0
	<u>\$1,395,903</u>	<u>\$1,458,502</u>	<u>\$1,549,031</u>	<u>\$1,305,374</u>	<u>\$1,019,304</u>

Installment Loans

Financed 3 vehicles at Ford Motor Credit due in 3 annual installments of \$24,463.70 which includes interest at 6.01%.

\$ 44,883

Financed 6 vehicles at Ford Motor Credit, due in 36 monthly installments of \$4,156.25, which includes interest at 5.45%.

116,320

\$161,203

Tax Anticipation Loan

Bank loan dated 4-21-09, due 3-1-10 plus interest at 4.25%.

\$900,000

Capital Lease Payable

Lease purchase computer software, payable in 60 monthly payments of \$5,098.65, which includes interest at 7.25%.

\$138,497

Annual Debt Service Requirements

The annual debt service requirements to maturity (excluding deferred comp.) including principal and interest are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$1,019,304	\$54,469	\$1,073,773
2011	127,095	9,624	136,719
2012	53,301	1,120	54,421
	<u>\$1,199,700</u>	<u>\$65,213</u>	<u>\$1,264,913</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 10 - TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the tax collector for a period of 30 days. If suit is filed within the 30-day period for recovery of such amounts, the funds are held pending outcome of the suit. If the taxpayer prevails, the tax collector refunds the amount due, with interest at the rate of 2 percent per annum from the date the funds were received by the tax collector. The following is a summary of changes in the taxes paid under protest as recorded in the Tax Collector Agency Fund:

Balance, June 30, 2008	\$542,006
Additions:	
Taxes	55,310
Interest	2,598
Settlements to Taxing Bodies and Others	<u>0</u>
Balance, June 30, 2009	<u>\$599,914</u>

NOTE 11 - ON - BEHALF PAYMENTS

The Sheriff's office is located in the parish courthouse annex. Expenditures for operation and maintenance of the courthouse annex, as required by Louisiana Revised Statute 33:4715, are paid by the Vernon Parish Police Jury.

NOTE 12 - LITIGATION AND CLAIMS

At June 30, 2009, the sheriff is involved in several lawsuits seeking damages. Legal council anticipates an approximate 70% or better chance of a favorable outcome in all current lawsuits however, an unfavorable outcome of all lawsuits could approximate a liability in the range of \$795,000. Liability insurance coverage carried by the sheriff totals \$1,000,000 in the aggregate.

REQUIRED SUPPLEMENTAL INFORMATION
PART II

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Taxes - Ad Valorem	\$1,911,000	\$2,000,000	\$2,170,237	\$170,237
Taxes - Sales	2,250,000	2,513,000	2,649,030	136,030
Intergovernmental Revenues:				
Federal Grants	0	30,000	33,436	3,436
Local Grants	30,000	30,000	29,960	(40)
State Grants	329,700	600,000	640,910	40,910
State Revenue Sharing	244,200	244,200	239,333	(4,867)
Fees, Charges & Services				
Licenses	25,300	35,300	39,368	4,068
Fines & Costs	348,200	363,600	352,465	(11,135)
Civil	191,100	266,400	266,438	38
Housing Prisoners	2,279,000	2,811,000	2,811,733	733
Use of Money - Interest Earnings	5,000	8,000	9,221	1,221
Other	<u>84,800</u>	<u>190,300</u>	<u>240,437</u>	<u>50,137</u>
 <u>TOTAL REVENUES</u>	 \$7,698,300	 \$9,091,800	 \$9,482,568	 \$390,768

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 1 Continued

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
<u>EXPENDITURES</u>				
Public Safety				
Personal Services & Related Benefits	5,752,200	6,819,600	6,839,934	(20,334)
Operating Services	1,219,000	1,424,000	1,533,140	(109,140)
Materials and Supplies	487,000	893,700	936,919	(43,219)
Travel and Other Charges	35,000	65,000	71,430	(6,430)
Debt Service				
Principal & Interest	1,525,000	1,584,300	1,584,272	28
Capital Outlay	<u>50,000</u>	<u>29,800</u>	<u>29,840</u>	<u>(40)</u>
<u>TOTAL EXPENDITURES</u>	<u>9,068,200</u>	<u>10,816,400</u>	<u>10,995,535</u>	<u>(179,135)</u>
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER EXPENDITURES</u>	<u>(1,369,900)</u>	<u>(1,724,600)</u>	<u>(1,512,967)</u>	<u>211,633</u>
<u>OTHER FINANCING SOURCES</u>				
Capital Lease & Installment Loans	0	0	0	0
Proceeds from Bank Loans	<u>1,400,000</u>	<u>1,481,700</u>	<u>1,400,000</u>	<u>(81,700)</u>
<u>TOTAL OTHER FINANCING</u>				
<u>SOURCES</u>	<u>1,400,000</u>	<u>1,481,700</u>	<u>1,400,000</u>	<u>(81,700)</u>
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER EXPENDITURES</u>	30,100	(242,900)	(112,967)	129,933
<u>FUND BALANCE, BEGINNING</u>				
<u>OF YEAR</u>	<u>606,711</u>	<u>606,711</u>	<u>606,711</u>	<u>0</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 636,811</u>	<u>\$ 363,811</u>	<u>\$ 493,744</u>	<u>\$129,933</u>

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
NOTE TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 2

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Vernon Parish Sheriff's office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

OTHER SUPPLEMENTARY INFORMATION

PART III

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2009

FIDUCIARY FUND TYPE - AGENCY FUNDS

Sheriff's Fund - accounts for funds held in civil suits, sheriff's sales, and garnishments. It also accounts for collection of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws. The Sheriff's Fund is comprised of the Civil, Bond, Fines and Costs Funds, and the Probation Fund of the sheriff.

Tax Collector Fund - Article V, Section 27, of the Louisiana Constitution of 1974 provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

Inmate Fund - accounts for money deposited by various prison inmates while incarcerated by the sheriff. Withdrawals are made for purchased by the inmates. Remaining balances to the credit of a prisoner are refunded upon release or transfer to another prison.

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA
FIDUCIARY FUND TYPES - AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN BALANCES
DUE TO TAXING BODIES AND OTHERS
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 3

	<u>Sheriff's Fund</u>	<u>Inmate Trust Fund</u>	<u>Tax Collector Fund</u>	<u>Total</u>
<u>BALANCES AT BEGINNING OF YEAR</u>	\$ 637,665	\$141,745	\$ 588,892	\$1,368,302
<u>ADDITIONS</u>				
Deposits:				
Bonds	327,911	0	0	327,911
Fines and Costs	786,309	0	0	786,309
Advance Deposits (Suits)	891,074	0	0	891,074
Taxes, Fees, Etc., Paid to				
Tax Collector	0	0	12,830,788	12,830,788
Interest Earned	2,515	0	21,531	24,046
Inmate Deposits	<u>0</u>	<u>780,064</u>	<u>0</u>	<u>780,064</u>
<u>TOTAL ADDITIONS</u>	<u>2,007,809</u>	<u>780,064</u>	<u>12,852,319</u>	<u>15,640,192</u>
<u>TOTAL AVAILABLE</u>	<u>2,645,474</u>	<u>921,809</u>	<u>13,441,211</u>	<u>17,008,494</u>
<u>REDUCTIONS</u>				
Taxes, Fees, Etc., Distributed to Taxing Bodies and others	0	0	12,781,060	12,781,060
Deposits Settled to:				
Sheriff's General Fund	327,283	349,411	0	676,694
Police Jury	227,293	0	0	227,293
District Attorney	135,231	0	0	135,231
Clerk of Court	42,395	0	0	42,395
Indigent Defender Board	90,450	0	0	90,450
Attorneys, Appraisers, Etc.	13,428	0	0	13,428
Other Settlements	1,291,903	0	0	1,291,903
Withdrawals by/for Inmates	<u>0</u>	<u>490,579</u>	<u>0</u>	<u>490,579</u>
<u>TOTAL REDUCTIONS</u>	<u>2,127,983</u>	<u>839,990</u>	<u>12,781,060</u>	<u>15,749,033</u>
<u>BALANCES AT END OF YEAR</u>	<u>\$ 517,491</u>	<u>\$ 81,819</u>	<u>\$ 660,151</u>	<u>\$1,259,461</u>

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by Government Auditing Standards**

The following independent auditor's report on compliance with laws, regulations and contracts, and internal control over financial reporting are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable John S. Craft
Vernon Parish Sheriff
Leesville, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish Sheriff as of and for the year ended June 30, 2009, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated November 10, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Vernon Parish Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Vernon Parish Sheriff's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely effects the Sheriff's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sheriff's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sheriff's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vernon Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Vernon Parish Sheriff, management of the Sheriff's office, interested state agencies, and the Legislative Auditor of Louisiana and is not intended to be, and should not be used by anyone other than the specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Marcus, Robinson & Hassell

Marcus, Robinson and Hassell
November 10, 2009

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

We have audited the financial statements of the governmental activities and each major fund of the Vernon Parish Sheriff, as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements and have issued our report thereon dated November 10, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2009 resulted in an unqualified opinion.

Section I - Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses yes x no Significant Deficiency yes x no

Compliance

Compliance Material to Financial Statements yes x no

B. Federal Awards -N/A

Internal Control

Material Weaknesses yes no Significant Deficiency yes no

Type of Opinion on Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

C. Identification of Major Programs: N/A

CFDA Number(s) Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs \$N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? yes No N/A

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs - N/A

VERNON PARISH SHERIFF
LEESVILLE, LOUISIANA

Schedule 5

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section

Section II -

Internal Control and
Compliance Material to
Federal Awards

No findings were reported under this section.

Section III -

Management Letter

No management letter was issued.